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\$7,200.00 ✓

OFFICE OF
INSURANCE COMMISSIONER

In the Matter of:

5 STAR LIFE INSURANCE
COMPANY,

An Authorized Insurer.

No. D06-146

CONSENT ORDER
IMPOSING A FINE

Findings of Fact:

1. 5 Star Life Insurance Company ("5 Star Life") is authorized to conduct insurance business in Washington State. It issues life and disability insurance.
2. 5 Star Life electronically filed its 2004 annual statement and 2004 April supplemental filing with the Office of the Insurance Commissioner ("OIC") on April 21, 2005.
3. RCW 48.05.250 requires that insurers submit an annual statement of the preceding year to the OIC before the first day of March of the following year. April supplemental filings are due by the first day of April of the following year. The statute permits the Commissioner to revoke or suspend the insurer's certificate of authority for failure to so submit.
4. Washington Administrative Code § 284-07-050(2) requires an insurer's annual statement and supplemental filings to be executed and submitted in accordance with the appropriate *Annual Statement Instructions* and *Accounting Practices and Procedures Manuals* promulgated by the National Association of Insurance Commissioners.
5. RCW 48.05.185 permits the Commissioner to levy a fine in addition to or in lieu of revocation or suspension of an insurer's certificate of authority.
6. 5 Star Life failed to timely file its 2004 annual statement and 2004 April supplemental filing with the OIC.

Conclusion of Law:

5 Star Life's failure to timely file its 2004 annual statement and 2004 April supplemental filing with the OIC constitutes two violations of RCW 48.05.250.

Consent to Order:

5 Star Life consents to the following, in order to resolve this matter without further administrative or judicial proceedings and the Insurance Commissioner consents to resolve this matter in consideration of the insurer's payment of a fine as set forth below.

1. 5 Star Life consents to entry of the foregoing Findings of Fact and Conclusions of Law, and acknowledges its duty to comply fully with the applicable laws of the State of Washington, and waive further administrative or legal challenge to the actions taken, or to be taken, by the Insurance Commissioner related to the subject matter of this order.
2. Within thirty days of entry of this Order, 5 Star Life will pay to the OIC a fine in the amount of \$7,200 (seven thousand two hundred dollars).
3. If the fine is not timely paid in full, this will constitute grounds for the suspension or revocation of the certificate of authority held by 5 Star Life in the State of Washington. It will also result in a civil action being filed by the Attorney General on behalf of the Insurance Commissioner, to recover the amount of the fine.

Executed this 15th day of March, 2006.

5 STAR LIFE INSURANCE COMPANY

By: 

Printed Name: Kimberly E Wooding

Printed Corporate Title: Executive VP and CFO

Order:

Pursuant to the foregoing Findings of Fact, Conclusions of Law, and Consent to Order, the Insurance Commissioner orders as follows:

1. 5 Star Life Insurance Company is ordered to pay, within thirty days of the entry of this Order, a fine in the amount of \$7,200 (seven thousand two hundred dollars).
2. Failure to timely pay the fine shall constitute grounds for suspension or revocation of the certificate of authority held by 5 Star Life Insurance Company in Washington State. It will also result in a civil action being brought by the Attorney General on behalf of the Insurance Commissioner, to collect the fine.

Executed this 20th day of March, 2006

MIKE KREIDLER
Insurance Commissioner

By: 

Marcia G. Stickler
Legal Affairs Division